on the suggestion of the State Governments, the State Industry Ministers, only this margin money was increased from twenty thousand to fifty thousand rupees and for big units up to two lakhs and the enhancement is about 75 to 90 per cent. We are very much interested in the small units and every unit knows it. The State Government is well aware of the schemes and there is no need for any further publicity.

THE DEPUTY CHAIRMAN: Next Question. Question No. 384. Mr. Gurudas Das Gupta.

Import of Synthetics as a Substitute for Jute

@*384. SHRI GURUDAS DAS GUPTA:†
SHRI N. E. BALARAM:

Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Government have decided to import synthetics as a substitute for jute for making gunny bags;

(b) if so, what is the quantity of synthetics imported during the last three years, year-wise;

(c) whether Government are aware that this decision will have adverse effect on the crisis-ridden jute industry; and

(d) if so, what corrective measures are proposed to be taken in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS IN THE MINISTRY OF INDUSTRY (SHRI R. K. JAICHANDRA SINGH): (a) to (d). A statement is laid on the Table of the Sabha.

@Previously Starred Question 304, transferred from the 18th August, 1987.

†The question was actually asked on the floor of the House by Shri Gurudas Das Gupta.

Statement

(a) No, Sir. The Government has not taken any decision recently specifically to import synthetics as a substitute for jute for making gunny bags. However, in view of the demand for plastics raw materials (HDPE/PP) being far more than the available indigenous supplies, Government has allowed imports of these materials under OGL in the Import Policy of 1985|88. Apart from HDPE|PP woven sacks which supplement the packaging needs of the country, these raw materials have many other applications like films, monofilaments, extruded and moulded products.

(b) to (d) Do not arise.

SHRI GURUDAS DAS GUPTA: Madam, the reply given by the honourable Minister is wonderfully vague and extremely evasive. I wanted to know from the Minister the quantity of synthetics imported during the last three years and his replay is does not arise". In the course of his reply to the first part of the question he says, "However, in view of the demand for plastic raw materials (HDPE| PP) being far more than the available indigenous supplies, Government has allowed imports of these materials under OGL in the import Policy of 1985—88.". Therefore, these two parts are contradictory, these two parts of his answer are contradictory. Anyway, my point is that a strong lobby is working within the Government itself and I call this lobby as the synthetics lobby. A number of members of the Government, that is, at least three members of the Government, that is, at least three members of the Council of Ministers are working..

THE DEPUTY CHAIRMAN: You please put your question.

SHRI GURUDAS DAS GUPTA: I am coming, Madam. Let me frame it, Madam, I have got some information and I have to frame my question according to that. Unfortunately, if you disturb me, I cannot put the question.

THE DEPUTY CHAIRMAN: If you exceed two minutes, then I have to do that.

SHRI GURUDAS DAS GUPTA: Madam, I am coming to the point now.

THE DEPUTY CHAIRMAN: That is exactly what I want.

SHRI GURUDAS DAS GUPTA: My information is that there was a meeting in the chamber of the Minister, Mr. Vengal Rao, on the 27th July where, besides Mr. Vengal Rao, two other Ministers, namely, Mr. Prabhu and the Minister of State for Chemicals were present along with the Minister of Textiles and there in that meeting, these three Ministers had put forward suggestions to the Minister of Textiles...

THE DEPUTY CHAIRMAN: You please ask your question.

SHRI GURUDAS DAS GUPTA: ... that the policy with regard to synthetics or the policy of mandatory use of jute bags should be changed, should be withdrawn. Therefore, my question to the Minister is whether this part of my information is correct, whether some Ministers of the Government are against the Government's decision on the mandatory use of jute bags and, if so, whether they are going to reconsider the policy of the Government on the mandatory use of jute bags.

SHRI J. VENGAL RAO: Madam, as mentioned by the honourable Member, the meeting is not a secret meeting. It was convened by me in the committee hall and they attended the meeting there and we reviewed the position because this position with regard to the mandatory jute bags is there in the fertilizer industry, in the sugar industry and in certain other things. But there is a difficulty here. About five hundred units or so are there in the synthetics. The investment in these units is 250 crores. This money is locked up. We have had discussions. But we have not taken any decision. It is a mandatory provision in the Act and we have to amend the Act. Therefore, we have discussed it, but we have not taken any decision. We are not interested in the jute lobby. We are also not interested in the synthetic lobby.

SHRI R. K. JAICHANDRA SINGH: May I just supplement the figures which the hon. Member has asked. In the country today, there is a shortfall of 4.5 million tonnes in terms of jute packaging. They synthetic woven sacks are going to supplement. They are not going to substitute. The hon. Member would be aware that out of 1960 million in numbers of total requirement of sacks in the country in 1984-85, 1600 million in numbers were from the jute sector. Therefore, there was a big gap of 360 million numbers and that has to be supplemented by the woven sacks. Now the hon. Member from West Bengal knows that Haldia is going to produce so many tonnes of propylene and HDPE. We must see that this industry grows. It is not going to be at the cost of the jute industry. As my senior colleague has said, there are a number of small scale units for this and a lot of money has been invested. In fact, it will add to the number of sick units. It was discussed in the earlier question. Therefore, let me have the privilege of dispelling this doubt that the jute sector is going to be displaced by the synthetic woven sacks.

SHRI GURUDAS DAS GUPTA: The question of lobby does not arise. The hon. Minister might have sympathy for synthetic lobby. But I do not speak on behalf of the jute lobby. My point is that the jute industry in West Bengal is facing a serious crisis. One lakh workers are out of employment. Therefore, what is the Government going to do to ensure that the crisis in the jute industry is warded off? That is the point. It is not a question of lobby. My point is this: What is the Government going to do to ensure that the monopoly use of jute bags increases? Instead of withdrawing the mandatory use, it should increase. I have another information. Please bear with me because I am referring to Italy. In recent years, Italy has prohibited the use of synthetic bags for package of foodgrains because it has proved to be a health hazard. Again, a number of countries in European Common Market are contemplating to put a ban on the use of synthetic bags because they have proved to be a health hazard. I would like to know from the hon. Minister whether he is aware that synthetic bags are a health hazard. What is he going to do to ensure that the crisis in the jute industry in West Bengal is solved?

SHRI J. VENGAL RAO: Madam, this question of crisis in the jute industry is not my subject. The Textile Ministry deals with it. The use of jute bags by all these industries is a mandatory provision and if we want to change anything, we have to amend the Act. Without amending the Act, we cannot do anything.

SHRI R. K. JAICHANDRA SINGH: Madam, I will supplement a few things to want my hon senior colleague has said. We have taken a number of steps. The Government fully recognises the fact that jute will continue to play a dominant role. I will tell the House some of the steps which the Government has taken. Since April 1986, the Ministry of Industry is not giving any fresh licences for synthetic woven sacks. The synthetic woven sacks units are now not being permitted to import four and six shuttles looms, which is a great help. An excise duty of Rs. 4.05 has been levied at the tape stage. Again, another excise levy is also done at 12 per cent at the woven-sack stage. Now these are the various steps by which we wanted to bring the prices of both these materials at parity and let the customer choose. So, we are taking a number of steps to see that the jute industry comes up. But whether the sick industry can be revived or not is a matter which the Textile Ministry has to deal.

SHRI GURUDAS DAS GUPTA: What about the health hazards? I pointedly asked the Minister.

SHRI J. VENGAL RAO: Madam, we will refer it to the Health Ministry and we will get a report. (*Interruptions*).

श्री जगदम्बी प्रसाद यादव : माननीय उपसभापति महोदया, जिन चीजों के साथ किसान का संबंध रहता है, उन चीजों पर सरकार को गंभीरतापूर्वक सोचना चाहिये लेकिन वह नहीं सोचती । परन्तु जिन चीजों के साथ व्यापारियों का संबंध होता है, चाहे जूट मिल का व्यापारी क्यों न हो वह भी अपने को सिथैटिक मिल में बदलते में कोई एतराज नहीं करेगा । लेकिन जूट को पैदा करने वाला जो किसान है वह अपने खेत में जट की नगदी फसल को नहीं बदल सकेगा । मेंडेटरी-मेंडेटरी की बात तो सरकार करती जा रही है और सरकार ने स्वयं बताया कि बैग्स की कमी है तो ये 29 जूट मिल्स क्यों बन्द हो गयी ? क लाख जूट मिल क मजदूर क्यों बेकार हो गये और आज तक किसानों को अपने पटसन के पदावार की पर्याप्त कीमत क्यों नहीं मिलती है । मंत्री महोदय ने तीन मंत्रियों की ओपन बैठक की बात की । उससे यह बात साफ थी कि उस मेंडेटरी को लेकर जो सिथेटिक पर प्रतिबंध है, उसको हटाने का ही प्रयास था भले ही उसमें सफलता न मिली हो । मैं जानना चाहूंगा कि हैल्थ हैजर्ड को देखते हुये नमक को सिथेटिक बोरों की जगह जूट बोरों में क्यों न भरना चाहिये ?

SHRI J. VENGAL RAO: Madam, my colleague has already answered it. There is shortage of production in jute bags in the country. We requested the Textile Ministry to look into it. There is a closure of 22 mills in West Bengal. They are not working. That is why there is shortage. What can we do? Our Ministry has nothing to do with it.

SHRI SANTOSH BAGRODIA: Madam Deputy Chairman, I would like to inform the hon. Minister that the mandatory Act need not be amended and only a decision from the Government is enough. I also request the Minister to kindly not that there is no shortage of packaging today That is why these 22 jute mills are closed. And the 3.5 million tonnes of goods which were not packed was probably in 1984-85. Now why the jute mills cannot sell their produce in spite of the closure of the 22 mills out of 56 mills only? And there is no problem for the HDPE produced in the country. What we are worried about the imports. Can the Government give us a definite, positive assurance on this subject?

SHRI R. K. JAICHANDRA SINGH: Madam, before answering this particular question, I would like to refer to the question that was raised about the health hazard. In India, at present, 100 per cent of the foodgrains, the entire foodgrains

is being packed in the jute. Therefore, this question whether we should look into the health hazard or not does not arise..

AN HON. MEMBER: What about salt? What about fertilizer?

SHRI R. K. JAICHANDRA SINGH: In India we have about 70 jute mills. Out of them, 56 are in West Bengal. Madam, the reason why the jute industry has gone sick is not because of the competition that it is facing from this but there are inherent problems. And that is why I said that a number of steps have been taken by the Government of India, not only passing this legislation but to promote the jute industry, it has been decided to create a Jute Modernisation Fund with Rs. 150 crores with effect from 1.11.1986 for the modernisation of jute mills. The IFCI has been made the nodal agency to administer this unit. It has also been decided to create a special jute development fund of Rs. 100 crores for restructuring, reopening and rehabilitation of jute industry as well as for development of jute agriculture. We have also granted waiver of customs duty on import of certain specified items of jute machinery and accessories with a view to encourage modernisation of jute mills. These are the steps that we have taken.

SHRI GHULAM RASOOL MATTO: Madam Deputy Chairman, perhaps the hon. Minister is not aware that only last week we had a very long debate, a three-hours debate, where we discussed the crisis in the jute industry. The Hon. Minister says that in 1984-85 there was a shortfall of 4.5 million tonnes in jute packaging and jute sacks. I want to tell the Minister that it was precisely because the synthetic bag costed less than the jute bag. Now the things have changed and the prices have gone up. Now they can compete also. My specific question to the Minister is whether there is a perfect liaison with the Ministry of Textiles with regard to the health of the jute industry and what should be done in this respect, and secondly, whether the hon. Minister in the first instance will assure us that at least for the time being, till the crisis is over, import of raw material under the OGL is taken off and it is regulated. Will the Hon. Minister give these two assurances to me, namely, that there will be perfect co-ordination with the Ministry of Textiles, and that he will take off the raw materials for this HDPE bags from the OGL?

SHRI J. VENGAL RAO: Madam, there is perfect colordination getween our Ministry and the Ministry of Textiles. We will implement these mandatory provisions as passed by both Houses soon.

SHRI PRABHAKAR RAO KALVALA: Madam Deputy Chairman, it is not correct to say that for storing foodgrains hundred per cent jute bags are being used and that synthetic bags are being used only for fertiliser and cement. Madam, the truth is that in villages empty synthetic bags are being used by villagers for storing their foodgrains. It has been observed by western countries that one of the main sources of cancer is the use of synthetic bags for storing foodgrains. What is the reaction of the present Government to these facts?

SHRI R. K. JAICHANDRA SINGH : I have not understood the question. Will you please repeat it?

श्री प्रभाकर राव कलवला : मैं यह जानना चाहता हूं कि सिंथेटिक बैग्स जब खाली हो जाते हैं उन बैग्स को फूड ग्रेन्स को स्टोरेज करने के लिये यूज किया जा रहा है तो गवर्नमेंट को इस बारे में कुछ पता है या नहीं ?

It has been observed by western countries that the root cause of cancer is the fact that food is being stored in synthetic bags. In India innocent farmers and villagers are storing foodgrains in empty synthetic bags. This is very dangerous and harmful. What steps is the Government going to take in this direction to see that farmers and villagers do not make use of synthetic bags for storing foodgrains?

SHRI R. K. JAICHANDRA SINGH: We are not aware of this.

THE DEPUTY CHAIRMAN: You are not aware of that, all right. (*Interruptions*). Yes, Shri Chitta Basu.

SHRI CHITTA BASU: Madam, my first complaint is that the question is not completely answered. Part (b) has not been answered. Part (b) asks, what is the quantity of synthetics imported during the last three years, year-wise? In the statement, Madam, there is no mention about it. And also there is no mention in the statement to the fact whether it has got any effect on the jute industry itself. Therefore, these two questions are not answered. Apart from that, may I know from the Hon. Minister whether the Government is aware of the fact that at present the capacity of the synthetic bag industry is about one lakh tonnes. One lakh tonnes of synthetic bags can replace five lakh tonnes of gunny bags in our country. At present market demand for gunny bags is estimated to be 11 lakh tonnes. This means that almost 50 per cent of the gunny bags market has been taken over by the synthetic bags. This is the crucial point. By the import of P.V. granule, the synthetic indusry's capacity is being expanded, and this expansion means the abolition of the gunny market. Therefore, may I know from the hon. Minister whether this is not the main reason for the crisis in the jute industry. Having regard to that, would the Government kindly take steps of taking away import of granule from the OGL and also regulating the capacity of the synthetic industry so that it may not be further expanded ?

SHRI J. VENGAL RAO: At present, we are importing 18,000 tonnes for other industries. There are so many other industries. This raw material is not for jute bage alone. According to mandatory provisions, in case of foodgrains, 100 per cent jute bags are to be used; for sugar also it is 100 per cent which we must use; for cement, it is 75 per cent; for fertilizers, it is 50 per cent. . .

SHRI CHITTA BASU: Why not cent per cent?

SHRI R. K. JAICHANDRA SINGH: May I add? The total requirement in 1985-86 of HDPE and PP was 1,55,000 tonnes. Out of this, only 40,000 tonnes had been used for synthetic industry, that means, only 25 per cent, which means that granules are used for other purposes, other than woven sacks. So, there are lot of uses, for milk packaging, for water packaging, for film lining etc. So, we still have to allow imports to bridge this gap. It is not just imports; we have a number of indigenous plants which are coming up in the country. As I have already mentioned, there is one in Haldia which is coming up. There will be one in Hazira in Gujarat, and one in Maharashtra, besides PIL expansion. So, we are taking steps to restrict imports by having more indigenous production in the country.

*385. *The uestiqons (Shrimati Kanak Mukherjee and Dr. R. K. Poddarq were absent. oFr answer, vide col. . . .in fra.)*

Criteria for Classifying Power Intensive Factories

*386. DR. H. P. SHARMA†:
DR. RATNAKAR PANDEY:

Will the Minister of ENERGY be pleased to state:

(a) what are the criteria on the basis of which a factory is classified as power-intensive factory, requiring power as a raw material; and

(b) whether there are any directions issued by the Central Government for ensuring supply of a minimum percentage of requirement of power per annum to such industries; if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER IN THE MINISTRY OF ENERGY (SHRIMATI SUSHILA ROHATGI): (a) There are no specific criteria prescribed for classification of a factory as a power intensive unit. Industries where the process of manufacturing requires a large quantum of power and the cost of power consumed is a significant component of the production cost, could be regarded as power intensive industries.

(b) No such directions have been issued by the Central Government.

†The question was actually asked on the floor of the House by Dr. H. P. Sharma.